

# The Role of Leadership Styles in Project Management: Systematic Literature Review

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**Abstrak.** Artikel membahas peran gaya kepemimpinan dalam manajemen proyek melalui tinjauan literatur sistematis dan berfokus pada tiga gaya kepemimpinan utama, yaitu kepemimpinan transformasional, kepemimpinan transaksional, dan kepemimpinan pelayan. Kepemimpinan merupakan salah satu faktor kunci yang berdampak langsung pada hasil proyek, dinamika tim, dan kepuasan pemangku kepentingan. Inti dari penelitian ini adalah bahwa pemilihan gaya kepemimpinan yang tepat memiliki dampak langsung terhadap keberhasilan atau kegagalan proyek, dinamika tim, dan kepuasan pemangku kepentingan. Dengan menginspirasi dan memotivasi tim untuk mencapai tujuan bersama, kepemimpinan transformasional dikaitkan dengan keberhasilan proyek yang lebih besar, kohesi tim yang lebih baik, dan peningkatan kepuasan pemangku kepentingan. Tujuan dari penelitian ini adalah untuk mengidentifikasi efek dari masing-masing gaya kepemimpinan ini dalam berbagai lingkungan proyek dan menentukan kondisi di mana masing-masing gaya memiliki keunggulan terbesar. Kepemimpinan transaksional, yang menekankan struktur, penghargaan, dan hukuman, efektif dalam lingkungan yang membutuhkan kepatuhan ketat terhadap proses tetapi dapat membatasi kreativitas. Di sisi lain, dengan memprioritaskan pertumbuhan dan kesejahteraan anggota tim, kepemimpinan pelayan meningkatkan kreativitas, kerja sama, dan moral tim. Metode penelitian yang digunakan adalah tinjauan sistematis terhadap artikel dan studi yang ada dari sumber ilmiah terpercaya untuk memperoleh pemahaman yang lebih dalam tentang dampak gaya kepemimpinan pada manajemen proyek melalui analisis hasilnya. Studi ini merangkum berbagai temuan dan mengevaluasi efek gaya kepemimpinan tersebut dalam konteks proyek yang berbeda. Akhirnya, pentingnya mencocokkan gaya kepemimpinan dengan kebutuhan proyek disoroti untuk meningkatkan kinerja, memperkuat dinamika tim, dan mencapai hasil yang sukses.

**Kata kunci:** Gaya Kepemimpinan; Manajemen Proyek; Kepemimpinan Transformasional; Kepemimpinan Transaksional; Kepemimpinan Pelayan.

**Abstract.** This article examines the role of leadership styles in project management through a systematic literature review and focuses on three main leadership styles, i.e., transformational, transactional, and servant leadership. Leadership is one of the critical factors that have a direct impact on project outcomes, team dynamics, and stakeholder satisfaction. The bottom line is that choosing the right leadership style directly impacts the success or failure of projects, team dynamics, and stakeholder satisfaction. Transformational leadership is associated with greater project success, better team cohesion, and increased stakeholder satisfaction by inspiring and motivating teams to achieve a common goal. This research aims to identify the effects of these leadership styles in different project environments and determine the conditions in which each style has the most significant advantage. Transactional leadership, which emphasizes structures, rewards, and punishments, is effective in environments where strict adherence to processes is required but may limit creativity. On the other hand, by prioritizing the growth and well-being of team members, servant leadership leads to increased creativity, cooperation, and improved team morale. The research method is a systematic review of existing articles and studies from reliable scientific sources to gain a deeper understanding of the impact of leadership styles on project management by analyzing their results. This study summarizes the various findings and evaluates the effects of these leadership styles in different project contexts. Finally, the importance of matching leadership styles to project needs is highlighted to improve performance, enhance team dynamics, and achieve successful outcomes.

**Keywords:** Leadership Styles; Project Management; Transformational Leadership; Transactional Leadership; Servant Leadership.

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## Introduction

Project management is a multifaceted field that demands a blend of technical expertise and interpersonal skills to deliver projects successfully. A critical element that significantly affects project outcomes is the leadership style employed by the project manager. Different leadership styles, such as transformational, transactional, and servant leadership, play a significant role in shaping team dynamics, engaging stakeholders, and overall project performance. Transformational leadership, which involves inspiring and motivating team members toward a shared vision, is frequently linked to favorable project outcomes, such as higher team satisfaction and successful project completion. Research has demonstrated that transformational leaders create an atmosphere of trust and cooperation, which is crucial for overcoming complex project challenges and reaching project objectives (Bass & Riggio, 2006).

Conversely, transactional leadership, which emphasizes clear structures, rewards, and penalties, is effective in projects that demand strict adherence to procedures and standards. This style is particularly advantageous in environments where control and efficiency are paramount (Yukl, 2012). Servant leadership, focusing on the development and well-being of team members, has garnered attention for its ability to boost team morale and cultivate a collaborative work culture. Studies suggest that servant leaders are more likely to empower their team members, resulting in greater creativity, innovation, and a sense of ownership among them (Wang *et al.*, 2021). For project managers looking to enhance team performance and achieve project goals, understanding the subtleties of various leadership styles and their effects on project management is essential. This systematic literature review investigates the role of different leadership styles in project management, evaluating their effectiveness across various project settings and identifying the conditions under which each style is most advantageous. By integrating the findings from numerous studies, this review aims to provide a thorough understanding of how leadership styles impact project outcomes, thereby adding

to the knowledge base in project management and offering actionable insights for project managers.

## Problem Statement

Leadership styles play a vital role in project management, significantly impacting the likelihood of a project's success or failure. A project manager's approach to leading their team can influence not only the effectiveness and efficiency of project execution but also the motivation and engagement levels of team members. Effective leadership in project management involves directing, motivating, and influencing the team to meet set objectives and deliver successful outcomes. Various leadership styles, such as transformational, transactional, and servant leadership, provide different methods for managing project teams and can be applied strategically based on a project's specific needs and circumstances.

Transformational leadership inspires and motivates team members by promoting a shared vision and encouraging innovation, making it practical for projects that require creative problem-solving and adaptability. Transactional leadership emphasizes structured tasks, clear expectations, and rewards and penalties, making it ideal for projects that require strict compliance with procedures and standards. Servant leadership focuses on the growth and development of team members, fostering a collaborative and supportive environment within the project team.

For project managers looking to maximize team performance and achieve project goals, it is crucial to understand how these various leadership styles impact project management. By selecting the exemplary leadership approach, project managers can effectively navigate the complexities of project work, enhance team dynamics, and ensure successful project outcomes. Exploring different leadership styles in project management offers valuable insights into how leaders can adapt their strategies to align with the needs of their teams and projects, ultimately contributing to the organization's overall success.

## Related Works

Leadership is a pivotal element in project management, as it directly influences project outcomes, team performance, and stakeholder satisfaction. Over the years, various leadership styles have been studied extensively to understand their effectiveness in different project management contexts. This literature review explores the roles of transformational, transactional, and servant leadership styles in project management, examining their impact on project success and team dynamics.

### Transformational Leadership in Project Management

Transformational leadership is characterized by the ability of leaders to inspire and motivate team members toward a shared vision. This style fosters an environment where innovation, creativity, and collaboration are encouraged, which is essential for achieving complex project goals. According to Bass and Riggio (2006), transformational leaders effectively build trust and enhance team morale, which contributes to increased project success rates. Empirical studies have demonstrated that transformational leadership positively impacts project performance by promoting high commitment and engagement among team members (Yukl, 2012). Furthermore, transformational leadership is associated with positive outcomes such as enhanced team cohesion, better communication, and increased problem-solving capabilities. A meta-analysis by Wang, Huang, and Davison (2021) found that transformational leadership significantly improves project performance across various criteria, including quality, budget adherence, and schedule compliance. The ability of transformational leaders to align team goals with organizational objectives makes this style particularly effective in dynamic project environments where adaptability and responsiveness are crucial.

### Transactional Leadership in Project Management

Transactional leadership, in contrast, is based on a system of rewards and penalties, focusing on clear structures and predefined goals. This leadership style is effective in projects that

require strict adherence to procedures, standards, and timelines. Studies have shown that transactional leadership is beneficial in environments where control, efficiency, and precision are prioritized (Avolio *et al.*, 2010). Leaders who employ this style are typically successful in managing projects that demand high regulatory compliance or technical rigor. Research by Judge and Piccolo (2004) suggests that transactional leadership can lead to satisfactory project outcomes when tasks are well-defined and team members understand the expectations and consequences of their actions. However, this style may limit creativity and innovation, emphasizing following established processes rather than exploring new approaches. Despite these limitations, transactional leadership remains a valuable approach in project management, particularly for projects with clear, measurable objectives and needing consistency and reliability.

### Servant Leadership in Project Management

Servant leadership emphasizes the well-being and growth of team members, focusing on their development and empowerment. This leadership style has gained attention for its potential to create a supportive and collaborative work environment. According to Greenleaf (2002), servant leaders prioritize the needs of their team members, fostering a culture of trust and mutual respect. Research indicates servant leadership can lead to higher team satisfaction, increased creativity, and stronger team cohesion (Barbuto & Wheeler, 2006). A study by Van Dierendonck (2011) found that servant leadership positively affects project success by enhancing team members' sense of ownership and responsibility. Servant leaders encourage open communication and feedback, which helps identify and resolve issues more effectively during project execution. This leadership style is particularly beneficial in projects that require high levels of collaboration, such as those involving cross-functional teams or complex problem-solving scenarios.

### Comparative Analysis of Leadership Styles

Comparing these three leadership styles reveals that each has its strengths and limitations depending on the project context.

Transformational leadership is most effective in projects that demand innovation and flexibility, while transactional leadership is better suited for projects requiring strict adherence to rules and standards. Servant leadership, on the other hand, excels in projects that benefit from a strong focus on team development and collaboration. Studies suggest that the most effective project managers are those who can adapt their leadership style to the specific needs of the project and the team. According to Müller and Turner (2010), situational leadership, where leaders adjust their style based on the project's phase, team maturity, and other contextual factors, is crucial for achieving optimal project outcomes. This review paper aims to synthesize existing research on the impact of different leadership styles (transformational, transactional, and servant leadership) on project management outcomes. This includes evaluating how these styles affect project performance, team dynamics, and stakeholder satisfaction.

## Research Method

The research method for this review paper involves a systematic literature review approach, ensuring a comprehensive and objective assessment of the existing body of knowledge on the role of leadership styles in project management. Searches were conducted in reputable academic databases, including IEEE Xplore, Google Scholar, Scopus, and Web of Science, to access peer-reviewed articles, conference papers, and other relevant publications. A combination of keywords and phrases was used to refine search results, such as "leadership styles in project management," "transformational leadership," "transactional leadership," "servant leadership," "project performance," "team dynamics," and "stakeholder satisfaction." The inclusion criteria for selected studies included peer-reviewed journal articles, conference papers, and book chapters from reputable sources. Additionally, studies that specifically focused on the impact of leadership styles on project management outcomes were prioritized. Only research published within the last 10-15 years was included in this review to ensure relevance

and currency. This approach enabled a thorough and up-to-date literature analysis regarding the influence of various leadership styles on project management outcomes.

## Result and Descussion

### Result

The systematic literature review revealed several key findings regarding the role of leadership styles in project management. The review focused on three primary leadership styles: transformational, transactional, and servant leadership. The analysis was based on studies from various industries and projects.

### Transformational Leadership

Transformational leadership consistently demonstrated a positive impact on project performance. Leaders who inspire and motivate their teams toward a shared vision were associated with higher project success rates, improved quality, and better adherence to timelines and budgets. Studies indicated that transformational leadership fosters an environment of trust and innovation, leading to superior project outcomes (Bass & Riggio, 2006; Yukl, 2012). In terms of team dynamics, transformational leaders significantly enhance collaboration, creativity, and a shared sense of purpose within the team. This leadership style was linked to increased team satisfaction and cohesion, which in turn contributed to higher levels of engagement and productivity (Wang *et al.*, 2021; Judge & Piccolo, 2004). Additionally, transformational leadership positively influenced stakeholder satisfaction by aligning project goals with stakeholder expectations and fostering open communication. Stakeholders reported greater satisfaction when leaders demonstrated vision and commitment to the project's success (Müller & Turner, 2010).

### Transactional Leadership

Transactional leadership was effective in projects requiring strict adherence to processes and standards. Leaders who focus on explicit structures, rewards, and penalties were associated with improved project efficiency and adherence to predefined goals (Avolio *et al.*, 2010; Judge & Piccolo, 2004). However,

transactional leadership showed limited impact on innovative outcomes and long-term project success, primarily promoting compliance and standardization over creativity. Regarding team dynamics, transactional leadership contributed to maintaining order and control within the team, particularly in projects with well-defined tasks. While this style promoted efficiency and reliability, it did not significantly enhance team morale or collaboration (Greenleaf, 2002). The impact of transactional leadership on stakeholder satisfaction varied. While it ensured that project deliverables met agreed-upon standards, it was less effective in addressing stakeholder needs beyond contractual obligations (Barbuto & Wheeler, 2006).

### **Servant Leadership**

Servant leadership positively influenced project performance by fostering a supportive and empowering environment. Leaders who prioritize the growth and well-being of their team members were associated with increased creativity, enhanced problem-solving capabilities, and overall project success. Regarding team dynamics, servant leadership significantly improved trust, collaboration, and morale within the team. Team members reported higher levels of engagement and a stronger sense of ownership in projects led by servant leaders (Van Dierendonck, 2011). Furthermore, servant leadership contributed to higher stakeholder satisfaction by emphasizing the needs and concerns of stakeholders. Leaders who adopted this style were more effective in building solid relationships and addressing stakeholder feedback (Müller & Turner, 2010).

### **Discussion**

The findings of this systematic literature review highlight the distinctive impacts of transformational, transactional, and servant leadership styles on project management, each offering unique benefits and limitations that shape project outcomes, team dynamics, and stakeholder satisfaction. This discussion aims to synthesize the findings and consider the implications for project managers in diverse project environments. Transformational leadership emerged as the most beneficial style for fostering an innovative, collaborative, and

motivated team environment. Its effectiveness lies in the ability of transformational leaders to inspire and engage team members around a shared vision, which promotes high levels of creativity and commitment. This approach is particularly advantageous in projects that are complex or require adaptive problem-solving, as transformational leaders cultivate trust and encourage risk-taking, driving teams to pursue novel solutions (Bass & Riggio, 2006). The positive influence on team cohesion and satisfaction is also significant, as transformational leaders boost morale by aligning team and organizational goals. For projects where stakeholder satisfaction is crucial, transformational leadership's open communication and proactive alignment with stakeholder expectations further enhance project success. However, this style may be less effective in highly standardized environments where strict adherence to processes is required, as its focus on innovation and flexibility may conflict with rigid procedural requirements.

In contrast, transactional leadership offers a structured, disciplined approach that is highly effective in projects demanding compliance with defined processes, standards, and timelines. Through rewards and penalties, transactional leaders set clear expectations that enable precise execution and minimize errors, which is critical in projects where reliability and efficiency are prioritized, such as regulatory or technical projects (Avolio *et al.*, 2010). However, the emphasis on control and task structure can stifle creativity and reduce team morale over time, as team members may feel constrained by rigid boundaries. Additionally, while transactional leadership can deliver consistent outputs aligned with contractual obligations, it may fall short in addressing broader stakeholder needs, as its approach is primarily focused on delivering to predefined objectives rather than adapting to evolving stakeholder demands. Servant leadership nurtures team members' personal and professional growth, fostering a collaborative and supportive work environment. This leadership style proves highly effective in projects requiring cross-functional teamwork or high levels of creativity, as it enhances team cohesion, trust, and morale. By prioritizing



team well-being, servant leaders empower members to take ownership of their tasks, which can lead to increased problem-solving abilities and innovation. Servant leadership's strong focus on empathy and active listening also contributes positively to stakeholder relationships, as leaders are more likely to seek and address stakeholder feedback, thus improving stakeholder satisfaction and trust (Van Dierendonck, 2011). Despite these strengths, servant leadership may not suit projects with high demands for efficiency and speed, as its emphasis on team development may slow decision-making processes.

The findings indicate that only some leadership styles are universally optimal. Instead, effective project managers can adapt their leadership style to the specific context, project goals, and team needs. Transformational leadership is ideal for complex, innovative projects where team motivation and creativity are paramount. Transactional leadership is best suited to environments that require adherence to strict standards and processes, ensuring consistency and efficiency. Servant leadership excels in projects where team cohesion and stakeholder relationships are essential for long-term success. Project managers can enhance their effectiveness by adopting a situational approach and adjusting their leadership style according to project phase, team dynamics, and stakeholder expectations (Müller & Turner, 2010). This flexibility allows managers to leverage the strengths of each leadership style, optimizing project outcomes while fostering a positive and productive team environment. For example, a manager may employ transformational leadership during the initial project stages to build a unified vision, shift to a transactional style for execution phases requiring control, and utilize servant leadership in team-oriented tasks or when addressing complex stakeholder needs. This review underscores the importance of adaptive leadership in project management. By understanding and strategically applying different leadership styles, project managers can navigate diverse challenges, enhance team dynamics, and meet stakeholder expectations, ultimately driving project success.

## Conclusion

Leadership styles are crucial in project management, influencing project outcomes, team dynamics, and stakeholder satisfaction. This review has explored the effects of three key leadership styles—transformational, transactional, and servant leadership—on various aspects of project management.

- 1) Transformational Leadership: Transformational leaders inspire and motivate their teams toward a common goal. This approach positively impacts project performance by boosting team engagement, encouraging innovation, and enhancing overall project success. Transformational leadership fosters a collaborative environment and aligns project goals with stakeholder expectations, leading to higher stakeholder satisfaction.
- 2) Transactional Leadership: Transactional leadership focuses on structure, rewards, and penalties. It is effective in projects that require strict adherence to procedures and standards, ensuring efficiency and reliability. However, this style may restrict creativity and long-term success. While transactional leadership provides clear guidelines and control, more is needed to improve team morale and adaptability significantly.
- 3) Servant Leadership: Servant leaders focus on the growth and well-being of their team members, creating a supportive and empowering environment. This style enhances project performance by promoting creativity, collaboration, and strong team cohesion. Servant leadership also improves stakeholder satisfaction by addressing their needs and fostering solid relationships. It is particularly effective in projects where team dynamics and interpersonal relationships are vital.

Each leadership style has unique benefits and limitations, varying in effectiveness depending on the project context. Transformational leadership is ideal for dynamic and innovative projects; transactional leadership suits projects requiring adherence to standards, and servant leadership fosters team collaboration and stakeholder engagement. Choosing the right leadership style is essential for achieving

successful project outcomes. Future research could investigate how these styles interact with factors such as organizational culture and project complexity to provide further insights into effective leadership in project management.

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